GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1844
ANSWERED ON:30.11.2000
FUNDING OF MAJOR PROJECTS
AMBATI BRAHMANAIAH

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government propose to allow the Oil Industry Development Board (OIDB) to fund major projects;

(b) if so, whether there is any guidelines for the OIDB to extend short term funding to PSUs and Joint sector units;

(c) if so, details thereof; and

(d) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d). Section 6(1) of Oil Industry (Development) Act, 1974 and the rules made thereunder, empowers Oil Industry Development Board (OIDB) to providefinancial and other assistance for promotion of measures that are conducive to the development of oil industry in such manner, to such extent and on such terms and conditions as it may deem fit.
While granting loans to oil industry, OIDB accords priority to plan projects approved by the Government.Since requirement of Oil PSUs forlong term funds from OIDB are more than the funds available with OIDB, no short term funding has been provided by OIDB during the last three years.

Decisions regarding the funding of projects by Oil Industry Development Board (OIDB) are taken by the Board which comprises inter - ministerial representation such as Petroleum, Chemicals and Finance in addition to industry representation.